HOUSING IN

Québec

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HOUSING IN Nunavik

Information Document

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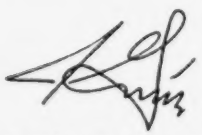
This information document has been prepared for use by the members of the ministerial delegations from Western and Northern Canada during their trip to Kuujjuaq on November 27 and 28, 2001. It is also intended to be read by our partners in the region and by local households wishing to play an active role in improving their housing conditions. This is why we have taken steps to ensure that the document is published in three languages: French, English and Inuttitut.

The first section of the document provides some basic information on Nunavik (territory, population, social, political and economic organization, etc.), in other words on factors that influence housing development north of the 55th parallel. The second section defines some key events that have marked the history of government initiatives to provide housing in Nunavik since the early 1950s.

The third section gives factual information on the development of social housing in Nunavik over the last two decades (1981-2001), while the fourth section focuses on the measures that led to the establishment, in the late 1990s, of a new Québec-Nunavik partnership in the field of housing. Housing needs, challenges and future prospects in the region are dealt within the fifth section.

Our sincere thanks go to the representatives of the Nunavik authorities, and especially the Kativik Regional Government, the Makivik Corporation and the Kativik Municipal Housing Bureau, for the invaluable assistance they provided during the preparation of this information document.

JACQUES GARIÉPY



President and Director General
Société d'habitation du Québec

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NUNAVIK

Territory

Climate

Population

Sources of income

Municipal services

Social, political and economic organization

Culture

Housing

1

NUNAVIK

Demographic trends drive the need and demand for housing.

Territory

Nunavik is a vast, 600,000 square kilometres region covering the whole of Québec north of the 55th parallel (see Appendix 1). It contains 14 Northern villages on the shores of Ungava Bay, the Hudson Straits and Hudson Bay. The villages are located between 1,500 and 2,500 kilometres north of Montreal. The largest villages are Kuujjuaq, Puvirnituq and Inukjuak (see Appendix 2).

There are no road links between southern Québec and Nunavik, or between the Northern villages themselves. Year-round air transportation of passengers and freight is available, but costly. Sea transportation is available during the summer and fall months.

Climate

An Arctic climate prevails north of the 55th parallel, where the winter is both long (up to 8 months a year in some villages) and extremely cold. Strong winds, gusting up to 160 km per hour, sweep the snow away or bank it up around buildings, so that the slightest crack in the building's outer skin creates glacial conditions inside and causes the structure to deteriorate rapidly.

In Nunavik, the cold is intense and can last for extended periods of time, with winter temperatures dropping as low as –40°C. Buildings must be heated, on average, for a period twice as long as in Southern Québec. The ground in the Northern villages is permanently frozen (permafrost), except in the three villages located closest to the 55th parallel.

Population

The total population of Nunavik is estimated at 11,000 people, 90% of whom are of Inuit origin. Demographic trends in Nunavik contrast sharply with trends elsewhere in Québec; in the Inuit communities, the annual population growth rate is 2.1% compared with just 0.7% for the Québec population as a whole. The population is young: more than 60% are aged 25 or under, and 75% are under 35 (see Appendix 2). Given this situation, it is not surprising that many new households are being formed. In addition, each Nunavik household has, on average, more members (4.3 individuals) than in southern Québec (3.0 individuals).

In contrast to the Amerindians, who are governed by the Indian Act, the Inuit are full taxpayers: they file income tax returns with the governments of Canada and Québec, and must pay all applicable federal and provincial taxes (GST and QST). The cost of living in Nunavik is very high, and all goods and services cost significantly more than in southern Québec. An item that costs $1.00 in Montreal costs an average of $1.60 north of the 55th parallel.

Nunavik's education system is administered by the Kativik School Board. The language of instruction is Inuttitut, and students choose between French and English as their second language. In recent years, a growing number of students have opted for French as their second language. Practically all Inuit people in Nunavik speak Inuttitut.

Sources of income

Most of the jobs available in Nunavik are tied to activities in the public and parapublic sectors. Approximately 60% of all full-time jobs are in health and social services, education, and provincial, regional and local administration. The private sector offers jobs in air transportation (Air Inuit and First Air), small and medium-sized businesses, mining and construction. Casual or part-time positions are more common than full-time jobs. The income of a substantial number of households derives from transfer payments (employment insurance, income security, old age pensions, etc.).

Municipal services

Because of the permafrost, there are no mains water or sewer systems in Nunavik. The installation of water and sewer systems would be technically complex and prohibitively expensive. Each house must have its own drinking water and wastewater tanks, respectively filled and emptied by tanker trucks. In addition, the villages are supplied with power not from the hydroelectric distribution grid that serves the rest of Québec, but from powerful diesel generators installed in each village. These special municipal services generate high costs, and the annual municipal tax bill for a dwelling with three or four bedrooms can easily reach $9,000 to $10,000.

Social, political and economic organization

The political, administrative and economic organization of Nunavik is under the responsibility of, and mainly conducted by, the Kativik Regional Government (see Appendix 3) and the Makivik Corporation (see Appendix 4). The main responsibility of Makivik is to see to the implementation of the James Bay and Northern Québec Agreement (JBNQA), and to manage the compensation paid under the Agreement. The Kativik Regional Government is the political authority in Nunavik.

With regard to social and economic organization, it is worth remembering that the communities in Nunavik have been familiar with the cooperative movement for many years. Each Northern village has its own cooperative to run the grocery store, and in some villages the cooperative movement is also involved in running hotel services. For additional comments on the role played by the cooperative movement in Inuit communities, please see Appendix 5.

Culture

The Inuit of Nunavik feel strongly that their traditional lifestyle should be maintained that their culture should be preserved. The Avataq Cultural Institute was established on November 1, 1980. This non-profit, non-political cultural organization has the mission of preserving traditional Inuit values and artefacts of historical importance. It also promotes cultural activities in the Nunavik region and elsewhere. The Institute recognizes the vital importance of involving Inuit elders in the development of its programs and projects, and sponsored the first Inuit Elders Conference held in Kangirsuk in 1981.

Housing

The combination of geographical, climatic, social, economic and demographic factors found in Nunavik places constraints on and demands particular approaches to the development of residential housing in the region. Demographic trends drive the need and demand for housing. The social and economic situation of the households requires substantial, diversified government intervention (social housing, home ownership support, etc.). In addition, the remoteness and isolation of the Inuit communities in Nunavik creates economic constraints (high costs) and logistical problems (short construction season).

As this overview shows, housing development in Nunavik poses major challenges for both the government authorities involved and the representative organizations in the region, and one of the main objectives of this information document is to highlight these challenges. But before looking at them in detail, and at the possible solutions that have been identified, it is perhaps useful to review previous government actions to help provide housing in the Inuit communities of Nunavik.

SECTION

2

Historical overview of

GOVERNMENT HOUSING ASSISTANCE INITIATIVES IN NUNAVIK

Early period (1950-1970)

The James Bay and Northern Québec Agreement (1975)

Transfer of responsibility (1981)

The Canada-Québec Global Agreement on Social Housing (1986)

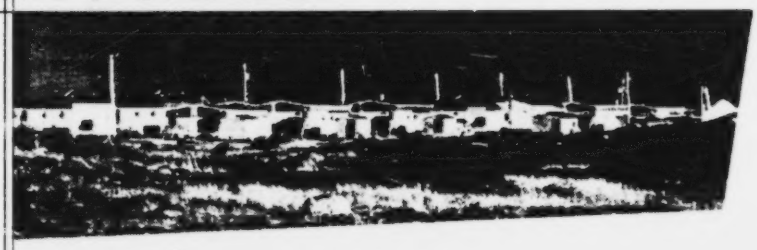
The Agreement Respecting the Implementation of the James Bay and Northern Quebec Agreement (1990)

Federal withdrawal (1993)

The Framework Agreement Concerning the Kativik Region (1998)

2

Historical overview of
GOVERNMENT HOUSING ASSISTANCE INITIATIVES IN NUNAVIK



The James-Bay and Northern Quebec Agreement was one of the most important treaties ever signed with Native people in Canada.

Early period (1950-1970)

In the early 1950s, the Government of Canada, through the Department of Indian Affairs and Northern Development (DIAND), began to offer various financial assistance programs to inuits in Nunavik to allow them to improve their housing conditions. Some of the programs promoted a self-build approach, and the government assistance consisted in providing materials for households that wished to build their own homes. At the time, the buildings concerned were more like huts or bad weather shelters than actual dwellings - in other words buildings in which families could live permanently and comfortably. These buildings – referred to at the time as "matchboxes" – were small in size and had no services (running water, electricity, heating, household appliances, etc.).

The traditionally nomadic Inuit lifestyle was beginning, in the early 1950s, to give way to a more sedentary period, encouraged by the progressive introduction of various community services (health care, education, etc.). In such circumstances, the housing constructed during the 1950s and 1960s quickly became overcrowded.

In the late 1960s and early 1970s, DIAND made a significant effort to improve housing conditions in Inuit communities in Nunavik by adding housing services and broadening the range of financial assistance programs available. At the end of the 1970s, DIAND had constructed or renovated more than 800 dwellings in the 13 communities that then existed. Overuse of the dwellings, caused mainly by overcrowded housing units, led to rapid structural deterioration.

Appendix 9 contains photographs that illustrate the evolution of residential construction types in Nunavik between 1950 and 2000.

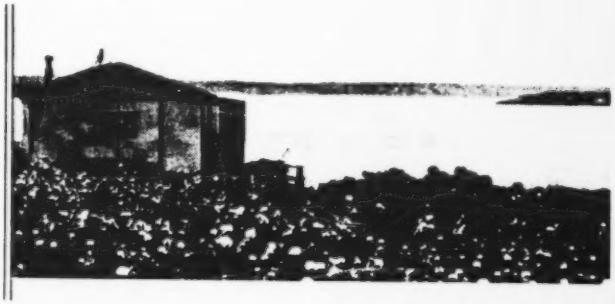
The James Bay and Northern Québec Agreement (1975)

At the beginning of the 1970s, the Government of Québec made public its plans for large-scale hydroelectric development in the James Bay region, and the vital forces within Inuit society were quick to react. The leaders and representatives of the Inuit communities put up a vigorous opposition, often through the courts, to the unilateral proposals made by Québec concerning some of their ancestral lands. The courts ruled in favour of the Inuit, and the implementation of the government plans was suspended, or at least postponed until an acceptable agreement had been reached by the parties. A long, multilateral negotiation process ensued, leading to the signing on November 11, 1975, of the James Bay and Northern Québec Agreement by all the parties concerned, namely the Government of Canada, the Government of Québec, the Grand Council of the Crees (of Québec), the Northern Inuit Association, the Société d'énergie de la Baie-James, the Société de développement de la Baie-James and the Commission hydroélectrique de Québec (Hydro-Québec).

The Agreement was one of the most important treaties ever signed with Native people in Canada. Under the Agreement, the Cree and Inuit acquired broad responsibilities for education, health services and social services, administration, and hunting, fishing and trapping. The Agreement also provided for the establishment of administrative structures and the financial measures required to enable the Native communities to meet their new responsibilities. In exchange, the Natives gave up their rights over more than 600,000 square kilometres of land, releasing it for development by Québec in accordance with the rules set out in the Agreement.

Once the Agreement was ratified, the Government of Québec passed a series of Acts, including the Act respecting Northern villages and the Kativik Regional Government (R.S.Q., c. V-6.1), the Act respecting the land regime in James Bay and New Québec territories (R.S.Q., c. R-13.1) and the Act respecting the Makivik Corporation (R.S.Q., c. S-18.1).

When the Agreement was signed, the governments of Canada and Québec made firm commitments concerning, among other things, the promotion and support of social and economic development in the First Nations concerned, including the Inuit Nation. Section 29 of the Agreement, on the social and economic development of the Inuit, provided for the continuation of existing programs covering housing services for Inuit communities in Nunavik.[1]



Transfer of responsibility (1981)

An agreement entered into in 1981 by the Canadian government transferred its responsibility for housing in Nunavik, and gave Québec full jurisdiction over all activities relating to housing development in Inuit communities north of the 55th parallel. At the same time, Québec inherited around 800 dwellings constructed in the region by DIAND over the preceding decades. The agreement provided for the payment, to the Québec government, of $72 M (a substantial amount at the time) to allow it to begin the renovation and extension of the housing stock in Nunavik.

1 *For more information on the JBNQA, see a highly instructive collection of documents brought together for the conference "Reflections ... on the James Bay and Northern Quebec Agreement" held in Montreal on October 25 and 26, 2001.*

The Nunavik authorities interpreted this transfer of responsibility as a way for the federal government to rid itself of the commitments made to the Inuit communities.

The Canada-Québec Global Agreement on Social Housing (1986)

In the early 1980s, the Government of Canada began an extensive review of all its housing assistance policies. The recommendations made by various task forces and commissions set up for the purpose culminated in the 1985 announcement by the federal government of the new guidelines contained in its housing policy. This, in turn, led to the signing in July 1986 of the Canada-Québec Global Agreement on Social Housing.

The fundamental guideline set out in the 1986 framework agreement was the principle that government financial assistance would be channelled primarily towards the households experiencing the strongest financial hardship. Existing programs were modified accordingly, and a whole range of new programs was introduced, for example constructing social housing, home renovations, adapting houses to the needs of people with impairments, etc. The agreement formally established the principle of Canada-Québec cost sharing for the expenses of each program, and also set up various planning and coordination mechanisms involving the signing parties.

With regard to social housing as such, the 1986 agreement provided for the payment of substantial financial assistance under the Non-Profit Housing Program (NPHP). From the date of implementation of the agreement, the program included an "Inuit component". In concrete terms, this meant that part of the budget envelope for the construction of social housing had to be used to improve housing conditions for Inuit communities in Nunavik. The most extensive annual construction projects for social housing were therefore undertaken in Nunavik under this component of the program. The shortage of housing in Inuit communities during this period led to the application of major remedial plans which resulted in the construction, especially during the 1980s and until the early 1990s, of around 130 to 140 social housing units each year (see Appendix 6).

The Agreement Respecting the Implementation of the James Bay and Northern Quebec Agreement (1990)

In 1990, the Government of Canada and the Makivik Corporation entered into the Agreement Respecting the Implementation of the James Bay and Northern Quebec Agreement. Appendix H of the agreement established a mechanism to resolve disputes between the parties concerning the interpretation and application of the provisions of the agreement. Québec was not a party to the 1990 agreement.

Federal withdrawal (1993)

In 1993, the federal government announced unilaterally that it would no longer contribute financially to any new long-term commitment in the social housing sector, including in Nunavik. However, under a special agreement between the CMHC and the SHQ, around 130 social housing units were added to the region's residential housing stock during 1994 and 1995. In the following years, in other words between 1995 and 1999, apart from some isolated building campaigns and in particular the construction of 43 units in 1999, very few social housing units were built in Nunavik, despite the fact that demographic trends in the Inuit communities had generated an enormous need for new housing.

The Framework Agreement Concerning the Kativik Region (1998)

On October 21, 1998 the Government of Québec and the Kativik Regional Government signed the Framework Agreement Concerning the Kativik Region, which included a chapter on the management of social housing in Nunavik. The chapter brought about an important change in Québec-Nunavik relations in the field of housing. Under the framework agreement, the Government of Québec undertook, in particular, to:

- recognize and promote the establishment of a social housing management structure that would reflect the prevailing situation in the region;
- redirect all amounts recovered as rent owing from social housing tenants towards the development of social housing.

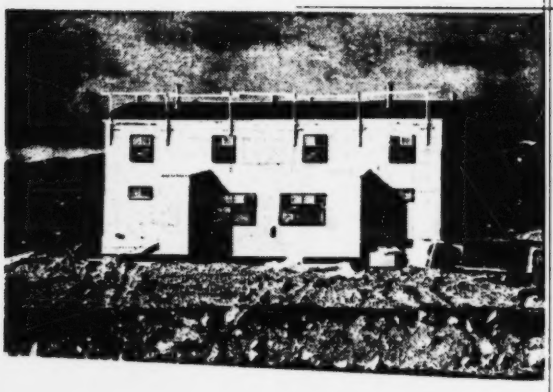
Under the agreement, the Government of Québec agreed in principle to the possible implementation of a program to sell some social housing units to the families living in them.

The approach that led to the signing of the framework agreement is based on allocating increased responsibility to the Nunavik authorities and encouraging them to take charge of matters that concern them directly, including the management of housing programs applicable to the region, and the management of the social housing stock.

SECTION

3

Development of
SOCIAL HOUSING STOCK
(1981-2001)



Overview

Housing quality

Housing unit size

Construction costs

Rental rates scale

Operating deficit

3

Development of
SOCIAL HOUSING STOCK
(1981-2001)

Lastly, the climate requires the use of higher-quality materials and insulation.

Over 90% of all existing residential units in Nunavik are social housing. There are also several hundred so-called "institutional" housing units, in other words units belonging to various government departments and agencies and to regional bodies (health services, education, police, Kativik Regional Government, etc.) to house employees living in Nunavik. Very few dwellings are owned by their occupants (a few dozen in all); most of these people were able to acquire their properties thanks to the home ownership programs implemented in the mid-1990s. There is no private rental market in the region.

Overview

Since it first began to exercise full jurisdiction over housing in Nunavik in the early 1980s, the Québec government, via the SHQ, has constructed or renovated over 1,700 social housing units in the region's 14 villages. Between 1981 and 2001, over $300 M of public funding (Canada-Québec) was allocated to fund these initiatives; on average, the Canadian government provided 60% of the funding and the Québec government 40%. The social housing stock in Nunavik now numbers 1,800 housing units (see Appendix 6).

Housing quality

Since the early 1980s, the SHQ, in collaboration with various other government departments and agencies at the provincial and federal levels, has been able to establish effective standards for residential construction in the Far North. Although social housing in Nunavik is comprised of relatively unpretentious dwellings, as required by the agreements that led to the construction projects, in recent years the buildings themselves have met high technological standards. They are especially energy-efficient, and are well suited to the harsh climatic conditions of the Arctic environment (cold, strong wind, permafrost, etc.).

However, the older buildings (those constructed in the early 1980s) will require major work in the immediate future to ensure that the existing stock will continue to be preserved.

Housing unit size

Social housing units in Nunavik are generally larger (in terms of number of bedrooms) than low-rental housing units (LRH units) in southern Québec. Almost all social housing units in the North have at least three bedrooms, and some have four, five or even six. This is because Inuit families are generally larger than families elsewhere in Québec, and because many social housing units in Nunavik are home to more than one family.

However, the housing units built in Nunavik since 1999 have only two bedrooms. This new approach to housing unit size is intended to meet the growing needs of single-parent families and young couples with one or two children.

Construction costs

Low-rental housing costs far more to construct north of the 55th parallel than it does in southern Québec. For example, in the mid-1990s, a family-type housing unit was estimated to cost an average of $66,603 in Québec, compared with an average of $196,823 for the same unit in Nunavik.

Several factors explain this substantial gap, of which the three most important are the climate, the remote location and the type of residential housing provided. Because of the permafrost, no excavation is possible, and the construction season is short. The remote location generates additional costs for the packing of materials and their transportation by boat or plane, in addition to the travel and accommodation costs of the construction workers. Families in Nunavik are generally larger than in southern Québec, and there is no tradition of multi-family complexes, meaning that most of the buildings are single-family dwellings. Lastly, the climate requires the use of higher-quality materials and insulation.

However, in recent years, technological progress in the area of construction materials and the construction of housing units with fewer bedrooms have brought down social housing construction costs in Nunavik quite considerably.

Rental rates scale

As mentioned above, in 1981 the Québec government, through the SHQ, acquired ownership of just over 800 social housing units in Nunavik following the transfer of responsibility by the federal government. Almost none of the housing units transferred met national standards in terms of build quality, health, safety and "liveability" in the broadest sense. When the SHQ took responsibility for the units, it would have been hard to justify the application of rental rates based on a proportion of the income of each tenant household, since most of the units did not even have running water or partition walls (between bedrooms, kitchen, bathroom, etc.).

The first rental scale for social housing units, applied from 1982, prescribed low rents based on both the size of the unit (number of bedrooms) and the socio-economic status of the householder (worker or income security recipient). From the outset, the rental scale administrative criteria provided for the rents to increase at the same rate as the consumer price index for the previous year. Since then, the rental rates on the scale have not been reviewed or readjusted to bring them into line with the cost of constructing and operating the buildings and improving the quality of the dwellings.

In September 2000, when the Agreement Respecting the Implementation of the James Bay and Northern Québec Agreement related to Housing in Nunavik was signed ($100 M over five years for the construction of roughly 300 social housing units in Nunavik), the parties to the agreement (the Canadian and Québec governments, the Kativik Regional Government, the Kativik Municipal Housing Bureau and the Makivik Corporation) recognized that the time had come to review the region's social housing rental scale. The agreement provided for the gradual application of a revised scale over a number of years, so as not to affect the disposable income of the tenant households too dramatically.

However, a significant increase in rental rates will be required, although the high cost of living north of the 55th parallel will have to be taken into account. The revision of the rental scale will be a key element in the effectiveness of the new set of measures (home ownership assistance, development of a private rental housing market, etc.) proposed to improve the living conditions of the Inuit communities and meet their housing needs.

Operating deficit

On December 31, 2000, there were 1,778 social housing units in Nunavik. In addition, the SHQ subsidized 58 units administered by the Kativik Regional Government, the Inuulitsivik health centre and the Tulattavik health centre. In 2000, the operating deficit for the units, taken as a whole, was more than $49 M. The deficit was subsidized by allocating a monthly amount of $2,317 per housing unit.

SECTION

4

A new
RESPONSIBLE PARTNERSHIP

The reform of government interventions

Introduction of three new programs

Creation of the Kativik Municipal Housing Bureau (KMHB)

The Agreement Respecting the Implementation of the James Bay and Northern Québec Agreement related to Housing in Nunavik

4

A new PARTNERSHIP

The Agreement Respecting the Implementation of the JBNQA related to Housing in Nunavik should allow for the construction of around 300 social housing units.

The reform of government interventions

In 1998, the Québec government, through the SHQ, undertook a major reform of its housing initiatives in Nunavik. The reform coincided with the signature of the Framework Agreement Concerning the Kativik Region in October of that year, and focused on two issues: the diversification of programs and an in-depth review of social housing management practices. The main focus of the reform was greater responsibility for Inuit authorities. It was made possible thanks to close cooperation between Québec government representatives and representatives of local and regional organizations, in particular the Kativik Regional Government (KRG).

Introduction of three new programs

As part of the reform diversification component, three new programs were introduced in 1999, namely the Home Ownership Program for Residents of the Kativik Region, the Purchase-Renovation Program for Households in the Kativik Region and the Residential Renovation Program for Owner-Occupiers in the Kativik Region. All three programs are financed in their entirety by the Québec government.

Québec's Home Ownership Program replaced the Remote Housing Program (RHP), which was funded jointly by the Canada and Québec governments in 1995 and 1997. The new

Québec program offers financial assistance of between $70,000 and $125,000, depending on the household's income. To be eligible for assistance under the program, a household must live in a social housing unit. The program also offers an amount equal to 75% of municipal service costs (up to an annual maximum of $7,000 per unit), for a period of 15 years.

Clearly, then, the Home Ownership Program is intended mainly for households with a reasonable financial capacity. Its purpose is to release social housing units so that they can then be offered to Inuit households in need.

The Purchase-Renovation Program is intended for households, housing cooperatives and non-profit organizations. It offers assistance equal to 50% of qualifying costs (up to a maximum of $50,000 per unit), and also pays 75% of municipal service costs (up to an annual maximum of $7,000 per unit), for a 10-year period.

The Home Renovation Program is intended for Nunavik's handful of owner-occupiers. It offers financial assistance equal to 50% of admissible renovation costs, and pays 75% of municipal service costs for a five-year period, up to an annual maximum of $7,000 per home.

So far, approximately 60 Nunavik households have obtained assistance under these three programs. The Kativik Regional Government (KRG) is responsible for program administration. The decision to hand over administrative responsibility was made as part of the new Québec-Nunavik housing partnership.

Representatives of the Québec and Nunavik authorities have agreed to a review of administrative standards (eligibility conditions, level of government assistance, etc.) for the Home Ownership, Purchase-Renovation and Home Renovation programs, with the aim of increasing the number of households able to take advantage of the benefits available.

Creation of the Kativik Municipal Housing Bureau (KMHB)

The reform and the new partnership also extend to the management of Nunavik's social housing stock. After consulting the KRG, which adopted a resolution in that respect, the SHQ entrusted all social housing management activities in Nunavik (rent collection, building maintenance, local manpower training in housing-related fields, etc.) to a new regional body known as the Kativik Municipal Housing Bureau (KMHB). The KMHB was created under a provision of the 1998 Framework Agreement Concerning the Kativik Region. Appendix 8 provides additional information on its role, responsibilities and fields of intervention.

The Agreement Respecting the Implementation of the James Bay and Northern Québec Agreement related to Housing in Nunavik

In 1999, the Makivik Corporation took advantage of the dispute settlement mechanism in the 1990 Agreement Respecting the Implementation of the JBNQA to convince and force the federal government to recommit financially to the devel-

opment of Nunavik's social housing stock, in accordance with its obligations under the JBNQA. The Québec government (Secrétariat aux Affaires autochtones, Société d'habitation du Québec, Secrétariat aux Affaires intergouvernementales canadiennes and Ministère de la Justice) actively supported the Corporation, taking part in a long process of talks and negotiations with the federal government. The process eventually led to the signature of the Agreement Respecting the Implementation of the James Bay and Northern Québec Agreement related to Housing in Nunavik on September 20, 2000.

This historic multilateral agreement was signed by the Québec government, the Canadian government and the Inuit authorities (Makivik Corporation, Kativik Regional Government and Kativik Municipal Housing Bureau). It was the first long-term agreement concerning the development of Nunavik's social housing stock, and its primary aim was to ease the demand for social housing in the region.

The Agreement provides that the governments of Québec and Canada will contribute financially to a five-year social housing stock development plan for Nunavik ($100 M). The federal contribution will cover capital costs at a rate of $10 M per year for five years, while Québec's contribution will pay the operating deficit for the units constructed, for a 20-year period. In all, the Agreement should allow for the construction of around 300 social housing units.

In addition to maximizing the number of units built every year, the Agreement is also designed to optimize the local economic spin-offs from residential development work. Accordingly, a regional authority (the Makivik Corporation) has been entrusted with responsibility for construction work. Once the units have been built, the Corporation will transfer ownership to the Kativik Municipal Housing Bureau (KMHB), which will then manage them.

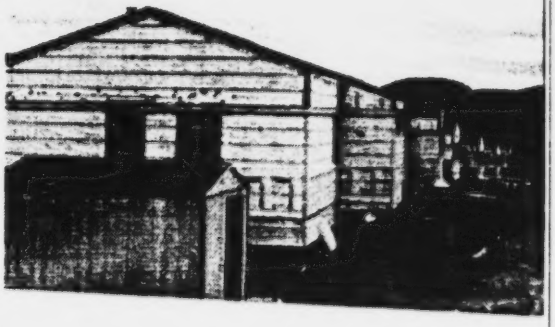
In the first two years of this renewable five-year Agreement, the experience and skills of the Makivik Corporation and the KMHB have proved to be both advantageous and complementary. The Makivik Corporation, in its role as promoter-constructor, has been able to use a mainly Inuit workforce for Agreement-related work.

As a result, in the period 2000-2004, many households in all 14 Northern villages will experience a net improvement in their housing conditions. Pressure on the need and demand for social housing in Nunavik should be eased considerably, and local economic spin-offs should be generated

SECTION

5

Housing needs in Nunavik:
CHALLENGES AND PROSPECTS



Housing needs in Nunavik

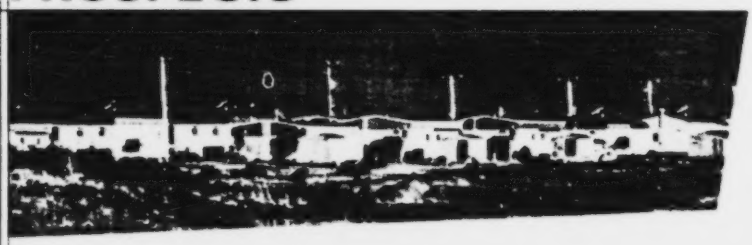
The challenges

Future prospects

5

Housing needs in Nunavik: CHALLENGES AND PROSPECTS

At least 80 units per year will need to be added to Nunavik's housing stock.



Application of the five-year agreement to build social housing units, combined with the Québec government's Home Ownership and Home Renovation programs, will certainly help satisfy housing needs in Nunavik in the coming years. However, because of the demographic profile of the Inuit communities, government interventions such as these will not be sufficient, alone, to meet all the region's housing needs. The challenges will therefore be considerable. Despite this, the Québec government believes there are excellent prospects for better housing conditions in Nunavik.

Housing needs in Nunavik

In 1992, the SHQ, with the cooperation of local and regional authorities, carried out an in-depth study of housing needs in Nunavik's Inuit communities (overcrowding and undercrowding of housing units, demographic trends, real needs, etc.). The study's data and findings are still relevant even today in assessing current housing needs in the communities.

According to the study, there were 1,450 housing units in existence on January 1, 1992, 63 of which were dilapidated and needed replacing. In the period 1992 to 1995 inclusively, the SHQ built 288 new units, for a net addition to stock of 225 units: 89 units in 1992, 71 in 1993, 79 in 1994 and 49 in 1995. By January 1, 1997, the stock had grown to 1,673 social housing units, which was clearly not enough to meet the population's needs, given the demographic trends.

Based on the assumption that each family should have its own home, and given that 371 units across the 14 villages were already overcrowded at the time (26% of the 1992 stock), the study concluded that slightly over 80 new housing units per year would be required for the period 1992 to 2002. If this requirement had been met, the social housing stock would have grown to 1,882 units in 1997 – 208 more than the actual figure.

Thus, including the units built as part of the Remote Housing Program (RHP) in 1995 and 1997 (16 units in 1997 alone), by 1998 the Nunavik housing stock was short of between 132 and 192 homes. The construction of 43 new units in 1999 and 60 more in 2000 has helped make up the shortage to some extent, but the demand continues to grow every year.

It is estimated that, to meet the housing needs generated in the coming years by demographic trends in the Inuit communities, at least 80 units per year will need to be added to Nunavik's housing stock.

The challenges

In the coming years, the main challenges will be to increase the supply of housing units, diversify financial assistance programs and residential products, and preserve the existing stock. Efforts to optimize local economic spin-offs from residential stock development work and to promote the training and use of Inuit labour on building sites must be continued, as must efforts to consolidate the new Québec-Nunavik housing partnership.

Future prospects

Continuation of social housing construction work

The application of the five-year agreement signed in September 2000 by the governments of Québec and Canada and the Inuit authorities will allow for the construction of approximately 60 social housing units per year. The agreement includes a commitment by the parties to negotiate a renewal in 2004.

Diversification of residential products adapted to Northern conditions

In 2001, the SHQ, as part of its drive to offer affordable residential products to Inuit community households, implemented a new Private Enterprise-Nunavik-SHQ partnership for the development and application of a new housing concept adapted to Northern conditions. The initiative was part of the SHQ's Development Support Program for Québec's Housing Industry, and involved a private company that produces a highly affordable, revolutionary new folding and transportable home concept.

To seal the partnership, the SHQ, along with the Kuujjuamiut Corporation Inc. (a social and economic development promotion agency in Nunavik) and Maisons Laprise Inc., recently signed the Agreement Concerning an Experimental and Demonstration Project for the "Habitaflex" Housing Concept Adapted to Northern Conditions. The SHQ and Kuujjuamiut will each fund half the project, while Maisons Laprise Inc. will pay all research and development costs for adaptation of the product to Nunavik conditions. The prototype "Habitaflex" product was installed in Kuujjuaq in November 2001.

If the results are as anticipated, they will open up some brand new prospects in Nunavik, in terms of both home ownership and the development of a private or cooperative rental home market.

After assessing the experimental and demonstration project, Maisons Laprise Inc. and the Kuujjuamiut Corporation Inc. agreed to sign a contract granting the Corporation exclusive distribution rights for "Habitaflex" in Nunavik and other Arctic regions. Eventually, if the demand is sufficient, a production plant could be opened in Nunavik, generating significant economic spin-offs and creating local jobs. The new partnership is expected to produce approximately 20 new homes per year, in addition to those built by the Makivik Corporation as part of the five-year agreement signed in September 2000 (60 homes per year).

Extended home ownership

Several new cooperative and advisory mechanisms have been implemented as part of the new Québec-Nunavik housing partnership. The Québec and Nunavik representatives on the various committees and task forces have agreed that discussions with a view to extending home ownership should take priority. The "Habitaflex" concept is likely to encourage interest in home ownership among Nunavik's moderate income households. The product's affordability will lead to an adjustment or reduction in the amount of government financial assistance paid to households wishing to purchase homes. As a result, more households will be able to obtain support.

In addition, it is important to remember that every household purchasing a home releases a social housing unit that can then be offered to a household in need.

implementation of an experimental financial support program for the development of a private rental housing sector

The isolation and remote locations of the Northern villages, combined with high construction and operating costs, have traditionally prevented the development of a private rental housing market in Nunavik. However, representatives of Nunavik authorities have suggested that some individuals and companies in the region would be willing to try to develop such a market if sufficient financial assistance were to be available. Several potential options are currently being examined. The new shared cost (Canada-Québec) affordable housing program should facilitate matters.

The experimental program will help ease the demand for social housing units.

The joint (Canada-Québec) affordable housing program

The 2001 conferences of housing ministers concentrated mainly on the preparation and forthcoming implementation of a joint (federal-provincial-territorial) affordable housing program. The federal government has said it is willing to inject $680 M over four years to help fund the program.

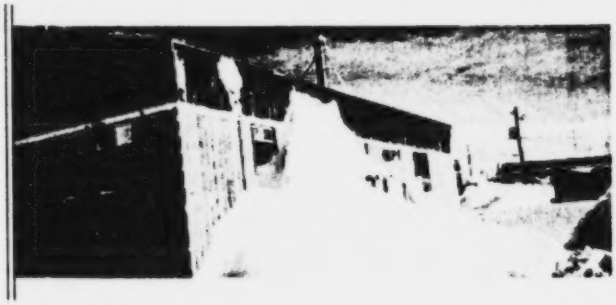
It has already been agreed that a significant portion of the program budget will be used to improve housing conditions for households in remote areas, including Nunavik.

Introduction of a major repair program

As mentioned earlier, Nunavik's oldest social housing units, built in the early 1980s, now require major repairs. The Nunavik authorities and the SHQ have agreed on the need to protect the region's existing built stock, and the SHQ plans to include a major repair program in its 2002-2007 plan of action. An annual amount of around $5 M would be sufficient to repair 50 social housing units with deficiencies affecting the quality of life of the households living in them.

Consolidation of the new Québec-Nunavik housing partnership

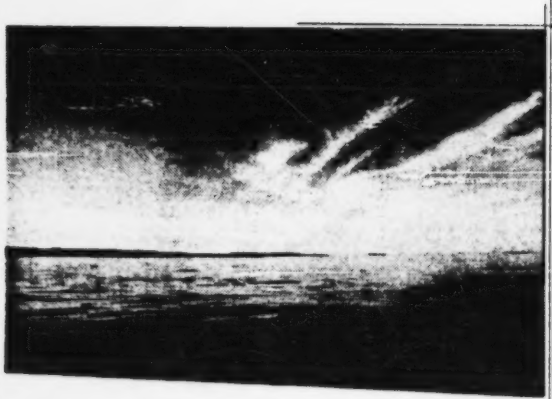
Preparation and administration of the residential initiatives proposed for the coming years will only be possible with the cooperation of local and regional organizations in Nunavik.



In particular, the Kativik Regional Government (KRG) and the Kativik Municipal Housing Bureau (KMHB) will be involved extensively in planning new programs, administering existing programs and managing Nunavik's social housing stock. The Makivik Corporation will continue in its role of promoter-constructor under the five-year agreement signed in September 2000 that will lead to the construction of approximately 300 social housing units. Other organizations, especially those in the cooperative movement, will also be invited to take part in a joint process designed to ensure that the principal housing needs of Nunavik's Inuit communities are met as effectively as possible. Thus, the Québec government clearly intends to maximize the benefits of the new Québec-Nunavik housing partnership.

BY WAY OF A CONCLUSION:

GOVERNMENT PRIORITIES AND HOUSING PROGRAMS IN NUNAVIK



On November 5, 1999, Pita Aatami, President of the Makivik Corporation, along with Guy Chevrette, Québec's Minister for Native Affairs, Joseph Facal, Minister of Canadian Intergovernmental Affairs and Robert Nault, Canada's Minister of Indian and Northern Affairs, signed a Political Accord Between the Nunavik Party, the Québec and Canada Government for Consideration of a Form of Government in Nunavik through the Creation of a Nunavik Commission.

The signatories to the Political Accord agreed that the future Nunavik government should take over some of the jurisdiction of the Québec and Canadian governments, and that the project should meet the needs of all Nunavik residents in addition to the Inuit. The parties also agreed that such a government should have appropriate financial resources (block funding) and some kind of autonomy.

The Nunavik Commission held public hearings in all Nunavik communities, and met with most of the local and regional organizations. It then broadened its consultations to include neighbouring communities and nations, and held numerous consultations with representatives of the Québec, Canadian, Nunavut and Greenland governments.

Last March, the Commission submitted a report entitled Let Us Share: Mapping the Road Toward a Government for Nunavik. The report makes a host of recommendations aimed at achieving a completely new form of self-government for Nunavik based on the creation of public (non-ethnic) institutions open to all the region's residents. The Québec and Canadian governments are currently completing their internal consultations and study of the Commission's report, and the Inuit party is following suit.

If a consensus can be obtained, the Nunavik Commission's recommendations will trigger some significant changes to the architecture of government policies in the region and to the methods used to administer, deliver and fund the many government programs applicable in Nunavik. As has been the case for other sectors of government activity (transportation, public security, etc.), Québec's approach to the transfer of responsibility for housing to the Nunavik authorities will be along the same lines as that proposed by the Nunavik Commission.

APPENDICES

Ivujivik
Salluit
Kangiqsujuaq
Akulivik
Quaqtaq
Puvirnituq
Kangirsuk
Aupaluk
Inukjuak
Tasiujaq
Kangiqsualujjuaq
Kuujjuaq
Umiujaq
Kuujjuarapik
NUNAVIK
55°
Québec
Montréal

Population of Nunavik*
By Age Group and by Village

	0-14	15-24	25-34	35-44	45-54	55-64	65+	Total
Akulivik	165	85	55	55	25	15	5	410
Aupaluk	70	25	35	15	5	10	0	160
Inukjuak	490	210	210	125	65	50	40	1,185
Ivujivik	120	50	50	30	15	10	5	275
Kangiqsualujjuaq	290	100	125	55	40	25	15	650
Kangiqsujuaq	210	95	85	45	25	15	10	480
Kangirsuk	155	80	70	25	25	20	20	395
Kuujjuaq	640	285	315	240	135	60	40	1,725
Kuujjuarapik	210	80	110	80	50	35	10	580
Puvirnituq	470	240	195	115	90	35	25	1,170
Quaqtaq	120	45	30	25	15	10	5	260
Salluit	390	190	150	75	55	45	15	925
Tasiujaq	80	40	30	15	5	5	5	190
Umiujaq	130	55	55	25	30	10	5	315
Nunavik	3,535	1,585	1,520	925	580	355	215	8,715

(*) Source: Makivik Corporation, Nunavik at a Glance (1999), p. 4

NOTE: The figures by age group have been rounded off to ± 5

These figures were published in 1999 using data from the 1996 Statistics Canada census

The Kativik Regional Government (KRG)

1 Constitution

The Kativik Regional Government (KRG) was legally constituted in 1978 under the Act respecting Northern villages and the Kativik Regional Government (R.S.Q., c. V-6.1), commonly known as the Kativik Act.

2 Territory

The KRG has jurisdiction over the entire portion of Québec located north of the 55th parallel.

3 Powers

The KRG's powers are exercised by a council known as the Council of the Kativik Regional Government.

4 Composition of the KRG Council

Under section 251 of the Kativik Act, each of the area's 14 Northern villages is represented on the KRG Council by a regional councillor appointed by and from among the members of its municipal council (usually the mayor of the municipality). The composition of the KRG Council is similar in many respects to that of Southern Québec's regional county municipalities.

The current KRG chairman is **JOHNNY N. ADAMS,** who is also a municipal councillor in Kuujjuaq.

5 Jurisdiction

Under section 351 of the Kativik Act, the ARK's jurisdiction extends to the following areas: local administration, transportation and communications, regional police, and manpower training and use. The KRG also has the competencies delegated to it by the region's municipalities.

6 Administrative structure

The KRG has roughly 250 employees, most (70%) of whom are from Nunavik. In recent years Inuit staff members have begun to take over the senior management positions formerly held by people from Southern Québec.

7 Budget

The KRG's annual operating budget was slightly over $1.3 M when the organization was first created in 1978. It is now approximately $54 M.

8 KRG's Activities in the housing sector

The KRG was one of the signatories to the Agreement Respecting the Implementation of the James Bay and Northern Québec Agreement related to Housing in Nunavik. Under article 5 of the Agreement, the KRG appoints a representative to the Nunavik Housing Committee (NHC), which is composed of equal numbers of representatives from the Canadian and Québec governments. The Agreement also stipulates that the KRG must be consulted during Nunavik's social housing rent reviews.

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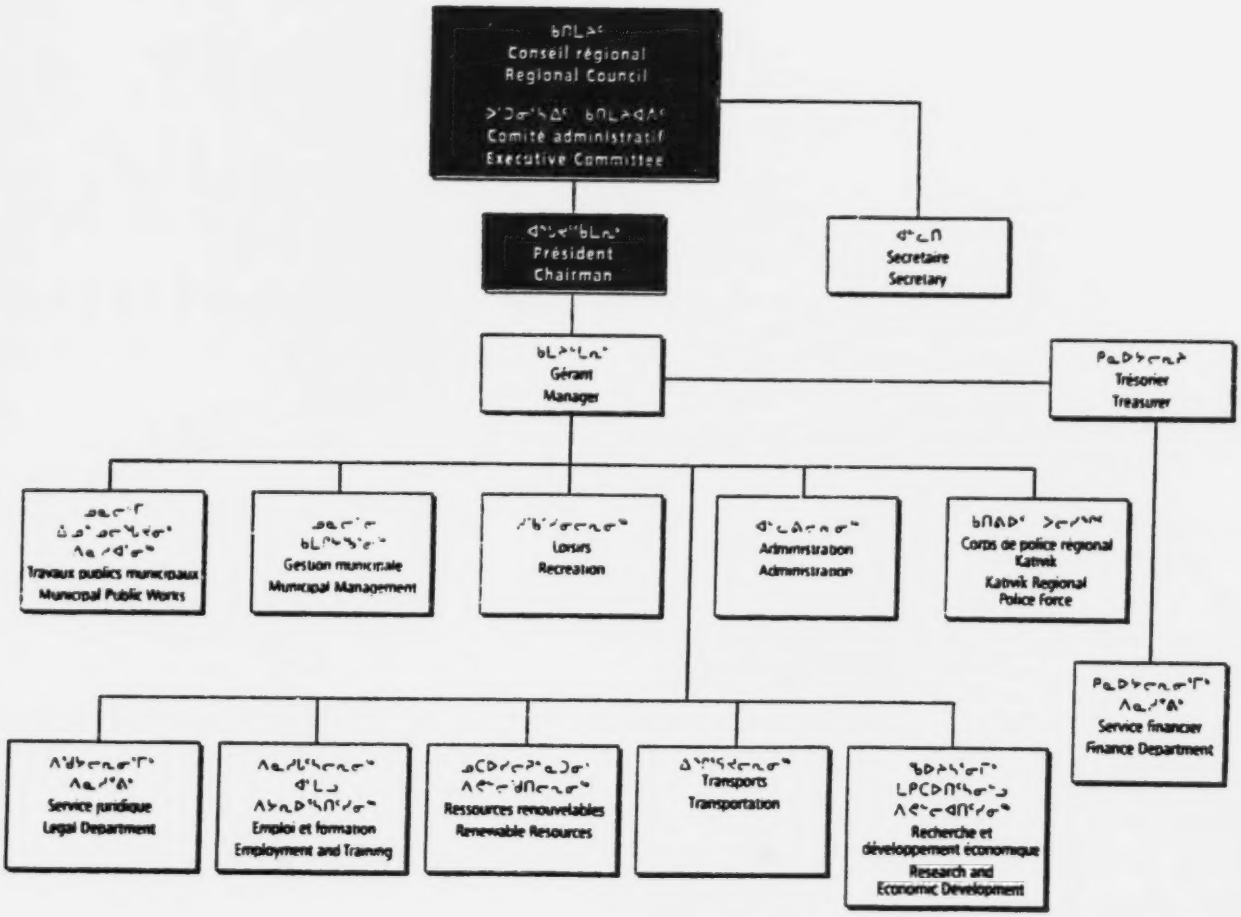
Administration régionale Kativik
Kativik Regional Government



The Makivik Corporation

1 Creation of the Makivik Corporation

The Makivik Corporation is a non-profit organization with no capital stock and no monetary gain for its members. It was constituted by an Act adopted by the Québec government in 1978 (R.S.Q., Chapter 91). Makivik is a private ethnic corporation whose only members are the Inuit beneficiaries of the James Bay and Northern Québec Agreement (JBNQA).

2 The Corporation's role

The Act constituting the Makivik Corporation defines its goals as follows:

a) To receive, administer, use and invest the compensation payable to the Inuit under the JBNQA;
b) To fight poverty and promote the well-being and education of the Inuit people;
c) To develop the Inuit communities and perfect their methods;
d) To exercise the other powers granted to it under other special laws or under the JBNQA;
e) To encourage, promote and protect the way of life, values and traditions of the Inuit of Nunavik.

3 The Corporation's powers

The Makivik Corporation can use part of its compensation payments to create financial holdings or venture capital corporations, among other things to help with the creation, financing and development of goods and service companies owned by Inuit people. It was with the goal of fostering the economic development of Nunavik that the Makivik Corporation began to create its subsidiaries, including Air Inuit, an airline serving the 14 Nunavik Villages, and First Air, another airline purchased in 1990. First Air is a major air transportation company in Northern Canada; and now employs more than 1,400 people.

Makivik has also created other subsidiaries in the fishery, tourism, Arctic mapping and petroleum product distribution sectors among others. At the same time, it is active in the fields of culture, leisure (ice rink construction), international business and politics.

4 The Corporation's structure

The Makivik Corporation's activities are governed by a board of directors composed of members elected by Nunavik's 14 Inuit communities. Board members are elected for a term of three years. The Corporation's structure also includes a Senior Council and a Management Council (Executive).

The Makivik Corporation's current president is PITA AATAMI.

5 The Corporation's activities in the housing sector

It was through an initiative of the Makivik Corporation that multilateral (Canada-Québec-Inuit) negotiations were able to culminate in the signature of the Agreement Respecting the Implementation of the James Bay and Northern Québec Agreement related to Housing in Nunavik. Makivik is responsible for carrying out the five-year social housing construction plan provided for in the Agreement (some 300 new social housing units will be built in Nunavik under the Agreement). Under article 5 of the Agreement, the Makivik Corporation appoints a representative to sit on the Nunavik Housing Committee (NHC), which is composed of equal numbers of representatives from the Canadian and Québec governments.

The Cooperative Movement in the Inuit Communities

"In terms of economic self-sufficiency, the creation in most communities of cooperatives belonging to and managed by the Inuit has been one of their greatest successes. The members of these local enterprises do not simply share revenues, they also decide on management policies and methods. Indeed, the cooperatives are veritable classrooms where the Inuit can obtain experience in business administration, retail sales, accounting and marketing.

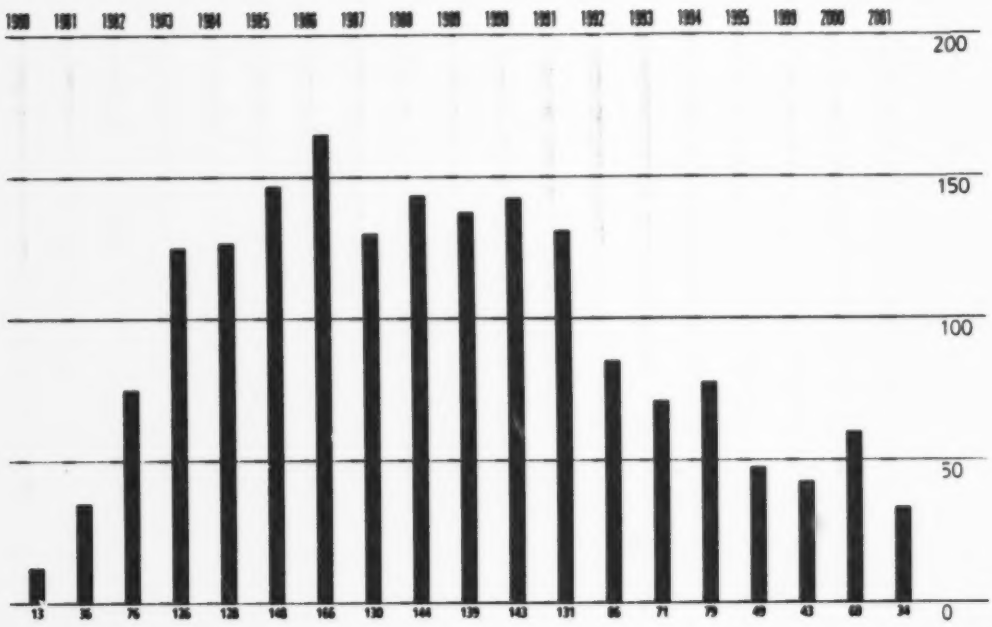
If the Inuit communities have embraced the cooperative movement with such enthusiasm, it is due to the parallel between the movement's underlying principle and the Inuit tradition of pooling labour and skills and then sharing the product of their efforts for the good of the group". 1 (Free translation from the French)

The Fédération des coopératives du Nouveau-Québec (FCNQ) was first constituted in 1967, eight years before the JBNQA was ratified. However, the FCNQ is not yet active in the housing sector.

1 DIAND. The Inuit. 1986. p. 59-60

Social Housing Stock Development in Nunavik (1980-2001)*

(Total: 1,802 dwelling units)



* *These interventions included both the replacement of dilapidated dwellings and the construction of new social housing units.*

Scale of Social Housing Rents: 2001

Amount of the Householder's Contribution for Housing Services in Inuit Communities

CATEGORIES	FROM JULY 1, 2001	
	HOUSEHOLDERS Security Recipients	HOUSEHOLDERS Others
CATEGORY "C"		
Renovated unit		
2 bedrooms	$198	$224
3 bedrooms	$199	$241
4 bedrooms	$202	$282
CATEGORY "D"		
Unit built since 1980		
1 bedroom	$115	$151
2 bedrooms	$167	$217
2 bedrooms (J2)	$198	$255
3 bedrooms	$201	$294
4 bedrooms	$205	$333
5 bedrooms	$208	$367
6 bedrooms	$215	$391

The Kativik Municipal Housing Bureau (KMHB)

1 Creation of the Kativik Municipal Housing Bureau (KMHB)

The KMHB obtained its letters patent on January 21, 1999, under the Act respecting the Société d'habitation du Québec (R.S.Q., s. S-8, section 57), following a resolution adopted by the board of directors of the Kativik Regional Government (KRG).

The creation of the KMHB was the culmination of extensive talks between the Nunavik and SHQ authorities. It was part of the Québec government's drive to decentralize its housing activities in the Kativik region by transferring the management of its social housing stock in Nunavik to an independent organization. The KMHB's inception has brought the decision-making power closer to users and facilitated contacts with the region's municipalities and social housing tenants.

2 The KMHB's role

In addition to maintaining and repairing social housing units, the KMHB has been entrusted with all rent and arrears collection activities and for local manpower training in areas related to housing. In short, it is entirely responsible for managing Nunavik's social housing stock of approximately 1,800 units.

3 The KMHB's structure

As is the case for Québec's other municipal housing bureaus (MHBs), the KMHB's activities are governed by a board of directors composed of seven elected or appointed representatives. The KRG appoints three members, and two are elected by and from among Nunavik's social housing tenants. The other two are appointed by the Minister responsible for applying the Act respecting the Société d'habitation du Québec, after consultation with and from among the social and economic groups most representative of the community. KMHB board members receive no remuneration, but are reimbursed for any costs incurred in carrying out their duties.

4 The KMHB's funding

The KMHB's operating budget is part of the operating deficit for Nunavik's social housing stock. In its first year of existence (fiscal year 2000-2001), the Bureau's budget was approximately $55 M. The Nunavik social housing stock operating deficit is funded by the governments of Canada (60%) and Québec (40%). Thus, unlike their Southern Québec counterparts, which must pay 10% of their MHB social housing operating deficits, the Nunavik municipalities have no such obligation.

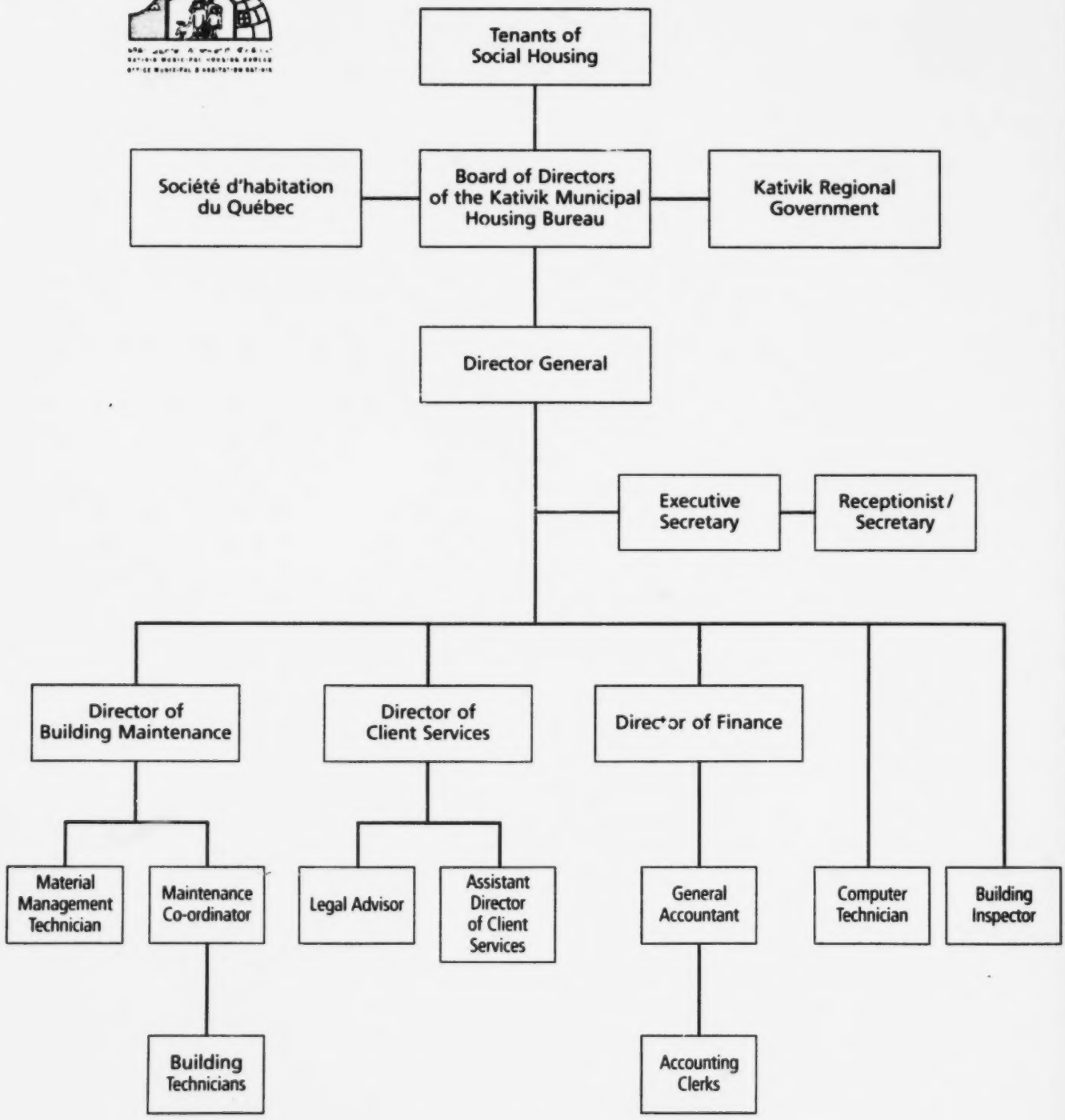
5 A long-term agreement for the construction of social housing

The KMHB is one of the signatories of the Agreement Respecting the Implementation of the James Bay and Northern Québec Agreement related to Housing in Nunavik. Under article 5 of the Agreement, the KMBH appoints a representative to sit on the Nunavik Housing Committee (NHC), which is composed of equal numbers of representatives from the Canadian and Québec governments.

The KMHB's current president is **MAGGIE EMUDLUK,** Councillor of Kangiqsualujjuaq.

Kativik Municipal Housing Bureau

Organisational Chart



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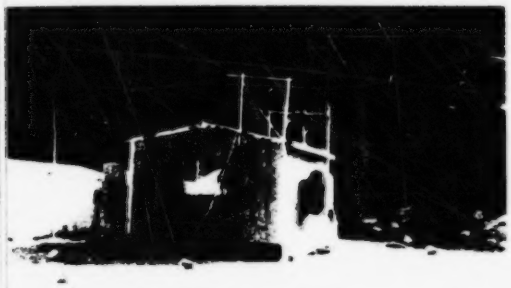
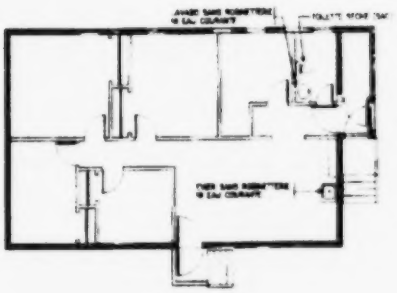
CHANGES IN HOUSING
in Nunavik



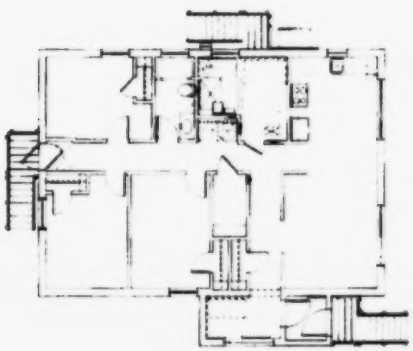
Housing in the 1950's: Matchbox type

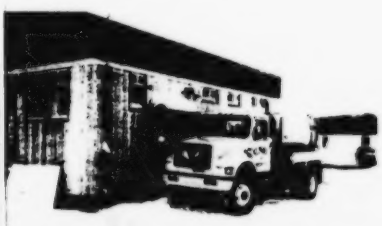
Housing in the 1960's to 1980's



Washbasin: no faucets or running water (pit toilet type)
Sink: no faucets or running water

Housing from the 1980's to present day

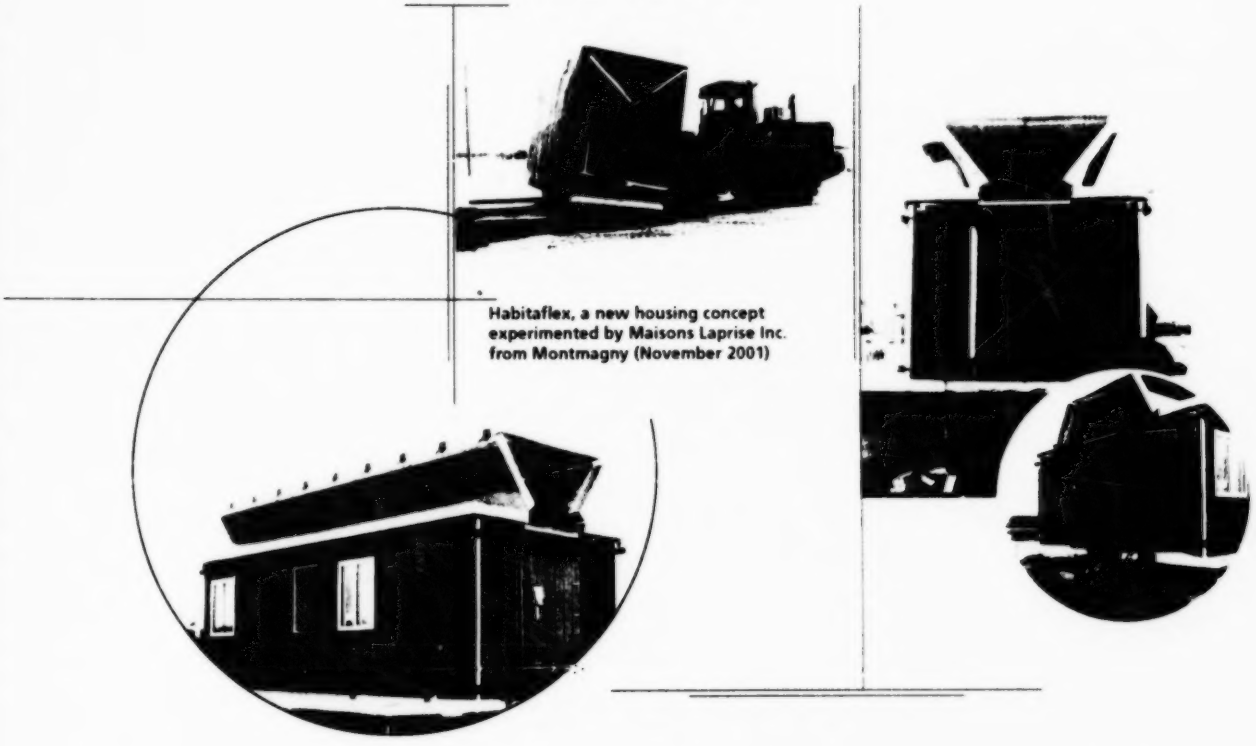




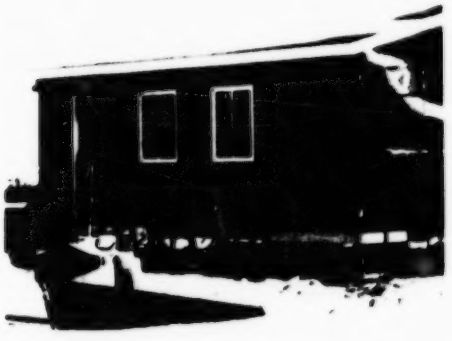
Wastewater being removed by a tanker truck equipped with pumps

In Québec's Great North, the housing sector alone accounts for between 90% and 95% of village infrastructures

CHANGES IN HOUSING
in Nunavik



Habitaflex, a new housing concept experimented by Maisons Laprise Inc. from Montmagny (November 2001)



Pre-manufactured houses constructed by Diane Fortin Inc. from Matane (June 1999)